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Financial reports and audited financial statements, and reports of the Board of Auditors

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

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Interim report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions first issued a general report on peacekeeping operations in 1994 in response to a perceived need by the Committee to find a way of dealing with cross-cutting issues that pertain to more than one mission. Since 1994, the issuance of a general report has become an annual practice, although the intention of the Committee at the time was to issue such a report only when there were pressing cross-cutting issues that needed to be addressed.

2. In 2003, the Secretariat began issuing an overview report on peacekeeping operations. There is no direct link between the Secretariat's overview report and the Advisory Committee's general report. The Committee does not, in fact, take up the overview report, but does comment on issues contained therein if they pertain to issues already under consideration for inclusion in the Committee's general report.

3. The Advisory Committee found itself obliged to delay its 2006 winter session owing to the late submission of peacekeeping documentation by the Secretariat. The Committee also experienced the need to consider a number of items that are not normally taken up during its peacekeeping session. Compounding this problem was the fact that the Secretariat submitted its reports on the three largest and most complex missions last (United Nations Mission in the Sudan, United Nations Stabilization Mission in Haiti and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)).

4. The Advisory Committee's method of work is to first consider reports on the individual peacekeeping operations in order to identify pertinent matters. Once the

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Committee's work is done on the individual missions, and in particular the larger missions, it becomes clear which issues may be brought to the General Assembly's attention. In this connection, it should be pointed out that the Committee is yet to finalize its report on MONUC; the Secretary-General's reports on the United Nations Operation in Côte d'Ivoire, the United Nations Operation in Burundi and the United Nations Mission for the Referendum in Western Sahara are under consideration. Moreover, a number of the issues that would feature in the Committee's general report are not yet ripe for consideration. These include the impact of the Secretary-General's proposals on reform, procurement, governance and results-based budgeting in peacekeeping operations. Furthermore, a report on the role of the Office of Internal Oversight Services and a whole range of documents on human resources management issues that would have an impact on peacekeeping operations are scheduled to be submitted to the General Assembly in the fall.

5. Bearing in mind what is stated above, the Advisory Committee recommends that any consideration of cross-cutting issues at this stage should be preliminary in nature, pending a broader definitive exposition of these matters after all the relevant documentation has been received and considered. To assist the Fifth Committee in this effort, the Advisory Committee presents in the paragraphs below a brief summary of the issues of general application it has raised in reports already issued on the budgets of peacekeeping missions, on the report of the Board of Auditors, on the support account and on the United Nations Logistics Base at Brindisi, Italy. It should be noted that the Advisory Committee intends to issue its report on disarmament, demobilization and reintegration shortly and has started work on the Secretary-General's proposals concerning contingent-owned equipment.

Assignment of staff to temporary duty in other missions

6. The matter of assigning staff to temporary duty in other missions is largely confined to the United Nations Interim Force in Lebanon, the United Nations Disengagement Observer Force and the United Nations Interim Administration Mission in Kosovo. The Advisory Committee points out the need to strive for a balance between the obvious benefits of using staff from established missions to provide the necessary expertise in enabling new missions to commence operations rapidly against the need of the sending missions for the skills that they must do without on an extended basis. The prolonged absence of such staff from the sending mission leads to difficulties in ascertaining its actual staff requirement, since, over time, it becomes difficult to determine to what extent these skills are still needed and whether they have de facto been replaced by the addition of new posts. The Committee trusts that future reporting by the Secretary-General will contribute to a solution to the problem.

Use of general temporary assistance

7. There appears to be a continuing problem with the use of general temporary assistance in peacekeeping missions. The Advisory Committee has often pointed out that general temporary assistance was designed for peak workload or to replace staff on maternity or sick leave. It should therefore not to be used to carry out functions of a continuing nature and should cover periods of less than 12 months. Although exceptions have been made in the past, unless justified by special circumstances, the

procedures for the use of general temporary assistance need to be strictly adhered to. In a related matter, the Advisory Committee also raises the question of how to present general temporary assistance, which is now shown under operating costs, but sometimes also appears on staffing tables. The Committee is of the opinion that this is a civilian staff cost and should be shown as such with an appropriate and distinct tabular presentation.

Air operations

8. Starting with the 2004/05 financial year, the Department of Peacekeeping Operations has utilized a new costing structure for air operations; however, no evaluation has been conducted to determine the effects and benefits of the new costing structure. The Advisory Committee believes that the Department of Peacekeeping Operations has now had sufficient experience with implementing the new costing structure to be able to undertake a meaningful analysis of its impact. As stated in the Committee's report on the report of the Board of Auditors, the Committee joins the Board in recommending that the Administration determine whether the change of air operations contracts to the new costing structure has resulted in greater efficiency, savings or other benefits.

9. In a related matter, the Advisory Committee has reiterated its recommendation that the Department of Peacekeeping Operations continue to explore ways to increase regional management of air assets and also recommends that it further coordinate with the Department of Political Affairs with a view to sharing air assets between peacekeeping operations and special political missions.

10. The Advisory Committee has often emphasized the need to constantly monitor patterns and requirements to ensure the optimal use of air assets and to reconfigure them to respond to changing circumstances. In its report on the United Nations Mission in Liberia, the Committee indicated that the Mission had been working to find ways to increase utilization, such as altering flight schedules to accommodate more passengers or cargo; the Committee encourages other missions to follow suit.

Quick-impact projects

11. The Advisory Committee devoted considerable attention to quick-impact projects in its consideration of the current round of peacekeeping budgets. The Committee noted that, in a number of cases, the duration of these projects was approaching or had exceeded the two-year limit imposed by the General Assembly in its resolution 58/315. The Committee is of the view that it is for the General Assembly to decide whether it wishes to change the policy regarding quick-impact projects or to grant exceptions. In this connection, if, once the initial phases are over, it is decided that a quick-impact project should evolve into one of longer term, then partners should be identified, either from participating agencies or national structures, to assume the management of and responsibility for the activity. The General Assembly may also wish to bring this matter to the attention of the Peacebuilding Commission. The Committee has noted cases where overhead costs were inordinately high. The Committee reiterates its view that administrative costs should be kept to an absolute minimum, since the idea of a complex bureaucratic

infrastructure for the planning, completion and review of these projects conflicts with their very nature.

Fraud

12. The Advisory Committee has often commented on this matter. It points out that fraud cases cause a financial ripple effect in that there are indirect costs in addition to the direct costs. For example, in cases involving military personnel, the financial burden placed on Member States would include, inter alia, travel-related costs of repatriating the personnel involved and replacing them. The Committee may revert to this matter after having considered a number of forthcoming reports that touch on the role of the Office of Internal Oversight Services and the question of controls in peacekeeping missions.

Consultants

13. United Nations involvement in peacekeeping operations has reached a point where considerable expertise has been developed within the Secretariat and could be used to address most of the peacekeeping issues now confronted by the Organization. Use of consultants should therefore be limited to those special circumstances where specific technical knowledge is not available in-house. Even in those cases, and where appropriate, arrangements should be made for consultants to train United Nations staff so as to avoid the perpetual use of consultants in a particular area. The Advisory Committee has also pointed out the need to develop an effective evaluation mechanism for the use of outside expertise.

High vacancy rates

14. A number of missions continue to experience high vacancy rates; their persistence calls into question the ability of missions to carry out the functions for which they have requested the continuation of posts or new posts. The Advisory Committee reiterates its request that recruitment and placement procedures be improved. The Committee has also pointed out that a gradual replacement of international staff with national staff, wherever feasible and cost-effective, should be encouraged in peacekeeping missions and field missions in general, as it contributes to capacity-building and transfer of skills to the local population. In a related matter, the Committee has, in the past, cautioned against the use of United Nations Volunteers as "cheap labour" or for tasks that could be carried out effectively by national staff. The Committee has requested closer cooperation between the Department of Peacekeeping Operations and the United Nations Volunteers Programme, as well as the development of an effective mechanism to evaluate the performance of United Nations Volunteers in peacekeeping and field assignments.

Integrated and complex missions

15. The Advisory Committee welcomes and is closely following the continued development of the integrated mission concept. The Committee has called for

special attention to be paid to the relationship between the role of the United Nations and the role of other agencies and organizations (both within and outside the United Nations system) in peacekeeping missions, including the leadership that the United Nations should exercise.

16. The Advisory Committee has also called for special attention to be paid to the organizational structure of complex missions in order to avoid or correct unnecessary fragmentation and duplication, define blurred lines of authority and accountability and institute measures for better coordination. This matter will, no doubt, be raised again in the near future on the basis of forthcoming reports.

Conclusion

17. As stated above, the foregoing summary of issues of general application is preliminary in nature. The Advisory Committee will revert to its general report on the basis of future submissions from the Secretary-General and of the outcome of relevant deliberations in the General Assembly.